

Message Text

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ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AID-20 CEA-02 CIAE-00 COME-00

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R 221712 Z JUN 73

FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 5390
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS UNN
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION GENEVA
USMISSION OECD PARIS UNN

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E. O. 11652: N. A.

TAGS: ETRD, EEC

SUBJ: EC TARIFF RECLASSIFICATION OF SEMI- CONDUCTORS

REF: (A) STATE 118392: (B) STATE 55200

1. SUMMARY. WE HAVE AGAIN REVIEWED THE SEMI- CONDUCTOR
TARIFF CLASSIFICATION PROBLEM WITH HIJZEN OF THE EC
COMMISSION ALONG LINES OF THE REFTELS. WE PRESENTED THE
LATEST EVIDENCE AVAILABLE TO SUPPORT OUR CASE AND URGED
PROMPT, FAVORABLE ACTION ON A MATTER THAT HAS BEEN
PENDING FOR ALMOST ONE YEAR. HIJZEN SAID HE WOULD
RAISE THE MATTER WITHE MEMBER STATES
AGAIN. ACTION REQUESTED: CLARIFICATION ON BTN
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EXPLANATORY NOTES AS EXPLAINED PARA FIVE OF THIS MESSAGE.
END SUMMARY.

2. MISSION OFFICERS REVIEWD AT LENGTH ON JUNE 22, WITH COMMISSION DEPUTY DIRECTOR GENERAL HIJZEN, THE ENTIRE BACKGROUND OF OUR REQUEST FOR A RECLASSIFICATION OF SEMI- CONDUCTORS. WE FURNISHED HIM THE FURTHER INFORMATION CONTAINED IN REFTEL A. (PRIOR TO RECEIPT OF REFTEL A, WE HAVE FURNISHED TO THE COMMISSION A TOTAL OF 27 ITALIAN CUSTOMS INVOICES DEMONSTRATING IMPORTS AT THE LOWER DUTY RATES AS WELL AS A LETTER FROM THE BRUSSELS OFFICE OF CLEARY, GOTTLIEB STATING THAT THERE HAD BEEN NO US EXPORTS TO LUXEMBOURG. CLEARY, GOTTLIEB STILL HOPES TO PERSUADE RCA BELGIUM TO PRODUCE BELGIAN CUSTOMS INVOICES.) WE TOLD HIJZEN THAT THE US FELT THAT THIS ISSUE HAS DRAGGED ON TOO LONG AND THAT WE BELIEVED THAT WE ARE ENTITLED TO A PROMPT, FAVORABLE DECISION.

3. WE ALSO TOLD HIJZEN THAT, THOUGH WE DID NOT BELIEVE OUR CASE RESTED ON THE PRODUCTION OF CUSTOMS INVOICES, WE HAD DONE OUR BEST TO FURNISH THEM AND THAT THE RESULTS OF OUR EFFORTS HAD ONLY CONFIRMED OUR VIEW OF THE SITUATION. WE SAID THAT, IF THE COMMISSION HAS ANY EVIDENCE THAT THERE WERE SIGNIFICANT USI IMPORTS COMING IN AT THE HIGHER RATE, WE WOULD LIKE TO SEE IT. (INCIDENTALLY, THE COMMISSION HAS NEVER INSISTED ON THESE CUSTOMS INVOICES. THE MISSION HAD ATTEMPTED TO PRODUCE THEM BELIEVING THAT THIS WOULD BE THE MOST DIRECT EVIDENCE THAT OUR GOOD SHAD BEEN COMING IN AT THE LOWER RATE.)

4. HIJZEN TOOK NOTE OF OUR POINTS AND STATED THAT THE PROBLEM HAS BEEN IN PERSUADING THE MEMBER STATES THUS FAR TO GO ALONG WITH A CUSTOMS RECLASSIFICATION. HOWEVER, WHILE RESERVING EC RIGHTS ON THE JURIDICAL ISSUES, HIJZEN SAID HE INTENDS, PARTIALLY ON THE BAIS OF THE FURTHER INFORMATION WE HAVE FURNISHED, TO RAISE THE MATTER AGAIN. HE ALSO STATED THAT IT WOULD BE OF GREAT ASSISTANCE IN THE INTERNAL POLITICS OF THE COMMUNITY IF HE COULD PROVIDE MEMBER STATES INFORMATION ON THE PROGRESS THE US WAS MAKING IN CONSIDERING THE COMMUNITY' S REQUEST ON PLASTIC FASTENERS (REFTEL B). (HIJZEN AND STAFF ARE WELL AWARE LIMITED OFFICIAL USE

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THAT WE CONSIDER SEMI- CONDUCTORS AND PLASTIC FASTENERS SEPARATE ISSUES TO BE HANDLED ON THEIR MERITS.)

5. ACTION REQUESTED: WE WOULD APPRECIATE FURTHER ELUCIDATION OF THE LAST TWO SENTENCES IN PARAGRAPH TWO, REFTEL A. A CUSTOMS COOPERATION COUNCIL OFFICIAL TELLS US INFORMALLY THAT THE BTN, AND THE EXPLANATORY

NOTES TO THE BTN, ARE NOT RELEVANT IN HIS VIEW SINCE
THE BTN DOES NOT GO BEYOND A FOUR DIGIT BREADKOWN.
THE COMMUNITY HAS PUBLISHED EXPLANATORY NOTES TO THE
CXT. HOWEVER, THESE DID NOT APPEAR UNTIL 1968 AND
NO REFERENCE WAS MADE IN THESE EXPLANATORY NOTES TO ITEM 85.21
UNTIL THE CUSTOMS CHANGE IN JANUARY 1972. THE MISSION
ASSUMES THAT THE TWO SENTENCES IN PARAGRAPH TWO REFER TO
THE ACUTAL DESCRIPTIONS OF THE SUBHEADINGS OF 85.21
AND TO THE HEAD NOTES OF CXT CHAPTER 85. OUR RECORDS SHOW
THAT THESE HEAD NOTES MADE NO MENTIONOF SUB CATEGORIES IN
85.21 UNTIL THE JANUARY 1972 CHANGES. THUS, SO FAR AS WE
CAN TELL, THE REFERENCE IN THESE TWO SENTENCES MUST BE TO
THE SUBHEADINGS OF 85.21 IF MISSION UNDERSTANDING IS
INCORRECT , WE REQUEST THAT THE DEPARTMZNT GIVE US FURTHER
DETAILS SO THAT WE CAN EXPLAIN THIS ASPECT TO THE
COMMISSION. GREENWALD

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*** Current Classification *** LIMITED OFFICIAL USE

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